

BUILDING DEVELOPMENT COMMISSION
Minutes of August 16, 2011 Meeting

Elliot Mann opened the Building-Development Commission (BDC) meeting at **3:06 p.m. on Tuesday, August 16th, 2011.**

Present: Jon Morris, Travis Haston, Elliot Mann, Jonathan Wood, Zeke Acosta, Will Caulder, Bernice Cutler, Harry Sherrill, Hal Hester, Timothy West and Kevin Silva

Absent: Ed Horne and Rob Belisle

1. APPROVAL OF THE MINUTES

The motion by Jon Wood seconded by Travis Haston to approve the July 19th, 2011 meeting minutes passed unanimously.

2. BDC MEMBER ISSUES AND COMMENTS

No BDC Member issues or comments.

3. PUBLIC ATTENDEE ISSUES AND COMMENTS

No public attendee issues or comments.

4. INTRODUCTION OF NEW BDC PUBLIC REPRESENTATIVE

Jon Morris introduced the newest general public representative to the BDC, Timothy West. He is a student at UNCC and currently holds a Bachelor's Degree in Construction Management. Timothy previously worked with Will at Rodgers Builders on an internship and is currently working a summer internship with SteelFab, Inc.

5. END OF YEAR NUMBERS REPORT

Gene Morton described the end of year numbers report as follows:

- FY11 Revenue:
 - Permit Revenue: \$12.1887M, above projection (\$11,328,780) by \$860k or 7.6%
 - Other Revenue: \$2.4886M
 - Total Revenue: \$14.6773M
- FY11 Expenses: \$13.2465
- Code Enforcement FY11 Net Position:
 - FY11 net \$1,430,793
 - Less FY10 balance of (\$477,479) = \$953,314
 - So we enter FY12 with a reserve fund balance of \$953,314

JM: Did we cut service levels too deep? We feel like service levels are matching up with the work load now that we've got this surplus. In the June meeting we talked about adding more staff; I suppose we are continuing forward with that in anticipation of work load.

GM: This will give us the cushion we need to begin adding staff as needed. It doesn't mean we'll have to continue raising the FY12 budget projections to cover the balance which is one of the things we talked at the last meeting. This gives us the cushion and assurance that if things level out or begin to flutter a bit; we'll have some cushion to fall back on. Part of the reserve fund is attributed to a couple of large projects that came in towards the end of the year.

WC: Is it a true picture with these large projects that came in at the end of the year, i.e. the airport that was \$100MM so there are a few big projects that have hit at once, I don't think those big ones are going to continue to hit.

JB: We are able to carry this reserve fund balance into this year and it will spread throughout the entire year.

GM: The only difference is we used to turn it in to the general fund in the past and if permit revenue didn't continue to increase steadily we could find ourselves falling short. This is just a cushion to fall back on. It pays for the service that those permits will require.

JM: We need to have a surplus of \$1 – 1.5M so we can pay for the people to do the work that's got to be done.

WC: One thing we've been watching for is the big projects that are going to be at their peak during the expansions for the DNC; do you see that as a manpower issue for you at this point?

GM: We are just now getting our hands around that as a potential problem for us, we're not sure how that is going to play out whether we're going to get the revenue that balances with the service that we're going to have to deliver. We think a lot of the large projects will bring permit revenue in and we'll get paid for those but we aren't quite sure yet what's going to happen with all the projects that fall in behind that; the last minute surprises that we end up with, people coming in trying to convert buildings to new uses for one or two time events that are going to occur around that time.

WC: Planning has already started for a lot of those.

JM: What's the timing on that?

GM: Begins in June; September is when it is turned back over to the Bobcats; a tight schedule. They take it down, renovate it, put in some new elements, change some things and what they'll do when they leave is to take out some of the construction but some of the construction will remain.

WC: A lot of inspections are going to be put on the back burner.

GM: Well that's one of the things that are in the agenda we want to cover. In the next couple of BDC meetings we are going to talk about the potential service level drop we may experience during that period which may be unavoidable. We now think it's not going to be as much of a problem as originally thought. When we talked with Detroit and some of the other cities that have experienced this convention, we were told imagine your worst nightmare and multiply it times three and that's what you get. Now we are finding out from talking to different people that a lot of the events find their way into existing assembly places so that some of those nightmares that we suspected in the beginning may not be that bad.

EM: Is there going to be any impact on temporary structures after what happened this weekend in Indianapolis?

GM: Not a lot. I think we try to cover those very thoroughly, some of the temporary events that we hear about things such as that, we would have required an engineer to sign off on the installation. We've done that in some of the larger events that are similar. Not to say it didn't happen in Indianapolis; but something went wrong. We are meeting regularly with the City on their activities and are trying to coordinate with them on some of the City owned properties permitted projects (the arena and some of the other buildings that are being coordinated through the City).

6. REPORT ON ACTION BY THE NC GENERAL ASSEMBLY

Lon McSwain explained that SB22 is an - ***ACT TO LIMIT NEW AGENCY REGULATORY REQUIREMENTS THAT***

RESULT IN SUBSTANTIAL COSTS and was signed into law and has a sunset date of 7/1/2012 to include the following:

- All projects must stipulate their statewide cost impact, whether increase or decrease
- Projects with cost impact > 500k require submission of an economic impact statement
- Uncertain who performs economic impact statement, maybe NC Office of State Budget & Mgmt.
- Uncertain of who pays for economic impact statement; maybe proponent.

6.2. Session Law 2011-398 (SB781)

Lon McSwain explained that SB781 is an ***ACT TO INCREASE REGULATORY EFFICIENCY IN ORDER TO BALANCE JOB CREATION AND ENVIRONMENTAL PROTECTION***. This bill was voted on and vetoed on 6/30/2011. The veto was overridden by the Senate on 7/13/2011 and by the House on 7/25/2011.

- Impact on Permit and Inspection process: This change included 22 pages of text. Still evaluating what impact this will have on us locally and on the Code change process. Will plan to provide update at next BDC meeting.

6.3. Session Law 2011-376 (HB 648)

- What it's about (Title): AN ACT TO CLARIFY AND AMEND THE LAWS PERTAINING TO EXCEPTIONS AND BUILDING PERMITS AS RELATED TO GENERAL CONTRACTORS.
- Signed by the Gov. 6/27/2011
- Impact on Permit and Inspection process:
 - Additional administrative demands
 - Impact on inspection service delivery

- Verification of GC's workman's compensation insurance (proof).

7. REPORT ON PUBLIC INFORMATION STRATEGIES AND ACTIVITY

Introduction: (Gene)

- In July, 2011 the Department lost a PS&I assigned resource, which had focused in the past on helping us get the word out to customers about changes, either technology driven or process driven.
 - We realized that was a big loss and we couldn't do without the public info effort, even if we did lose the person.
- In place of that, we created a team effort by existing staff, putting together a capacity to push notices out to customers about impending changes, which though probably not as polished as the IST support, gets the job done.
- This is a year later, so it's appropriate to revisit that with the BDC, talk about how it's worked in practice on actual projects, and see if the BDC has any suggestions on how to refine the strategy.
 - We're not going to get any dedicated PS&I resources in the near (or distant) future.
 - So it is wise to assure we are getting as much as possible out of this strategy.

The Strategy: as described by Tim Taylor in our Feb, 2011 meeting, includes the following(Tim)

- a) 30 days before launch date, public info alerts include e-mail blasts to Web Site Notify Me subscribers.
 - Also use POSSE data base email list of latest customers, although this can result in redundant e-mails for customers who signed up by NotifyMe.
- b) News Releases and videos on Meckgov by the County's Public Service & Information (PS&I).
- c) Posters will be placed in the lobby and flyers or brochures located at main customer service points.
- d) Staff visits to trade or Professional Assoc. meetings will distribute flyers, spotlighting the changes.

Specific implementation steps changes since last summer:

- Expanding Electronic Review & permitting; projects involved (RS &KB)
 - CTAC in scope review; available now
 - TIP Enhancement; available May, 2011
 - Electronic Permitting Fee Ordinance changes; July, 2011
 - CTAC- EPS; fall 2011
 - Residential-EPS direct permitting; fall 2011
- TP/LCU/TCO/CC/CO RFBA; status of action steps we previously identified includes:(Gary)
 - i. Completed e-mails to all in "notify me"; e-blast was sent out on June 20th
 - ii. Completed posting notice at the CO counter
 - iii. Completed posting notice on meckpermit.com; Notice is on the main page of meckpermit.com as a tutorial PowerPoint walking the customer through the process.
 - iv. To date, managers & Code Admins announced the change in three contractor or trade assoc meetings
 - Announced at all consistency meetings
 - Have presented to staff and walked them through the requirements as well.

Closing: (Gene)

- Anything we're missing?

8. RFBA OUTCOME AND MULTI-TRADE INSPECTOR STAFFING

- BOCC approved the RFBA on August 2
- We immediately moved forward to fill **two** of the 5 positions at MT inspectors;
 - Timing on that is the following
 - Re-define PDQ and sent to HR on August 5th
 - 20 day process or less in position creation, afterwards position can be posted
 - 6 day posting and 3 day interview selection period, estimated position fill date of 2nd week in September
- The following numbers represent the argument for why the added positions are MT inspectors and why added now

- Increase in MT work load is more significant than any single trade group with a resulting 58% per inspector volume increase, other trades show lower % increase with Building at 18%, Electrical 25%, Mechanical 25%, Plumbing 45% per inspector.
- MT Inspector positions are currently the best usage of staffing dollars by stabilizing MT group workloads with the combined ability to assist in single trades disciplines as needed.

9. DEPARTMENT STATISTICS AND INITIATIVES REPORT

9.1. Statistics Report

9.1.1. Permit Revenue

- July permit (only) revenue- \$1.336M
- Fy12 budget projected monthly permit revenue; \$11,738,711/12 = \$978,226
- so at July 31, we are above permit fee revenue projection by \$350k+/- or 36%

9.1.2. Construction Value of Permits Issued

- July total - \$223,894,477, with YTD amount \$same
- Fy10 Total at July31 – \$109,042,894
- So Fy12 ahead of Fy11 by \$115M

9.1.3. Permits Issued:

| | June | July | 3 Month Trend |
|--------------------------|-------------|-------------|----------------------|
| Residential | 4251 | 3222 | 3396/3876/4251 |
| Commercial | 2139 | 2134 | 2326/2168/2139 |
| Other (Fire/Zone) | 384 | 365 | 412/463/384 |
| Total | 6774 | 5721 | 6151/6507/6774 |

- Residential down 24.3%; commercial same; total down 15.55%
- Note SF detached new construction permits at 212, 2nd highest month since March 2010; 3rd highest since June 2009.

9.1.4. Inspection Activity: Inspections Performed

| Insp. Req. | June | July | Insp. Perf. | June | July | % Change |
|-------------------|-------------|-------------|--------------------|-------------|-------------|-----------------|
| Bldg. | 4736 | 4419 | Bldg. | 4654 | 4349 | -6.55% |
| Elec. | 6110 | 5189 | Elec. | 6019 | 5159 | -14.3% |
| Mech. | 3245 | 2793 | Mech. | 3210 | 2752 | -14.27% |
| Plbg. | 2201 | 2000 | Plbg. | 2141 | 1969 | -8.2% |
| Total | 16,292 | 14,401 | Total | 16,024 | 14,229 | -11.2% |

- All trades down; ranging from Bldg at 6%+ to Elec & Mech at 14%+
- total inspections requested down 11.6% __, total inspections performed down 11.2% __
- Inspections performed were 98.8% of inspections requested

9.1.4.1 Inspection Activity: Inspections Response Time

| Insp. Resp. Time | OnTime % | | Total % After 24 Hrs. Late | | Total % After 48 Hrs. Late | | Average Resp. in Days | |
|------------------|----------|------|----------------------------|------|----------------------------|------|-----------------------|------|
| | June | July | June | July | June | July | June | July |
| Bldg. | 97.7 | 93.9 | 98.1 | 95.1 | 99.8 | 98.2 | 1.04 | 1.13 |
| Elec. | 94.8 | 87.1 | 95.8 | 90.0 | 99.4 | 96.4 | 1.10 | 1.28 |
| Mech. | 97.4 | 89 | 97.9 | 91.8 | 99.8 | 97.1 | 1.05 | 1.23 |
| Plbg. | 90.2 | 73 | 92.4 | 80.3 | 97.0 | 87.2 | 1.21 | 1.68 |
| Total | 95.5 | 87.5 | 96.4 | 90.5 | 99.3 | 95.8 | 1.09 | 1.28 |

- Performance down across the board; ranging from Bldg down 4% to Plbg down 17%
- Average is still within 85-90% goal range__.
- Heart of the problem appears to be plbg, although Elec also dropped 7%+ and Mech 8%+

9.1.5. Inspection Pass Rates for July, 2011:

OVERALL MONTHLY AV'G @ 84.33%, compared to 85.74% in June

| | | | |
|---------------------|---------------|---------------------|---------------|
| <u>Bldg:</u> | June – 77.59% | <u>Elec:</u> | June – 86.06% |
| | July – 75.96% | | July – 84.31% |

| | | | |
|---------------------|---------------|---------------------|---------------|
| <u>Mech:</u> | June – 88.52% | <u>Plbg:</u> | June – 94.22% |
| | July – 88.24% | | July – 93.05% |

- All down <1.5%; Bldg & Elec down 1.6%+/-; Plbg down 1%+; Mech down .3%-
- Overall average within or slightly above the Department goal range

9.1.5.1 CFD Inspection Pass Rate for July, 2011

- CFD overall inspection pass rate of 79.38% for June, or down .65% from June (80%)

9.1.6. OnSchedule and CTAC Numbers for July, 2011

CTAC:

- 113 first reviews
- Projects approval rate (pass/fail) – 65%
- CTAC was 47% of OnSch (*) first review volume (113/113+129 = 242)) = 46.7%
 *CTAC as a % of OnSch is based on the total of only scheduled and Express projects

OnSchedule:

- June, 10: 153 - 1st rev'w projects; on time/early – 89.71% all trades, 91.59% B/E/M/P only
- July, 10: 140* - 1st rev'w projects; on time/early – 87% all trades, 90% B/E/M/P only
- August, 10: 159* - 1st rev'w projects; on time/early – 87% all trades, 90% B/E/M/P only
- September, 10: 148* - 1st rev'w projects; on time/early – 85% all trades, 83% B/E/M/P only
- October, 10: 158- 1st rev'w projects; on time/early – 92% all trades, 90% B/E/M/P only
- November, 10: 154- 1st rev'w projects; on time/early – 94% all trades, 94.25% B/E/M/P only
- December, 10: 149- 1st rev'w projects; on time/early – 74.5% all trades, 80% B/E/M/P only (1)
- January, 11: 137- 1st rev'w projects; on time/early – 82.65% all trades, 83.5% B/E/M/P only
- February, 11: 136- 1st rev'w projects; on time/early – 86.6% all trades, 88% B/E/M/P only

- March, 11: 185 (*)- 1st rev'w projects; on time/early – 85.75% all trades, 84.5% B/E/M/P only
 - April, 11: 147- 1st rev'w projects; on time/early – 78.37% all trades, 84.8% B/E/M/P only
 - May, 11: 196- 1st rev'w projects; on time/early – 98.5% all trades, 85.5% B/E/M/P only
 - June, 11: 251(**)- 1st rev'w projects; on time/early – 95.5% all trades, 94.2% B/E/M/P only
 - July, 11: 175- 1st rev'w projects; on time/early – 92.25% all trades, 93.75% B/E/M/P only
- *Indicates numbers restated from previous month to correct error in transferring #'s from report
** note that pool reviews this month were very high, at 60-1st reviews

Booking Lead Times

- OnSchedule Projects: **for reporting chart posted on line**, on August 1 showed
 - 1-2 hour projects; at 2-3 work day booking lead time, except MCMF-9, & CMUD-5 days
 - 3-4 hour projects; at 2-3 work day lead time, except B-5, MCFM-9, CMUD-7 days
 - 5-8 hour projects; at 2-5 days lead time, except B-7, MCFM -10, CMUD-11, & Health -14 days
- CTAC plan review turnaround time; 3 work days lead time, except bldg a 5 days & CFD at 1 day
- Express Review – booking lead time was; 6 work days for small projects, 11 work days for large

9.2. Status Report on Various Department Initiatives

9.2.1. July Meeting Follow up

9.2.1.1: BDC Quarterly Bulletin

- New quarterly bulletin complete, e-mailed to customers and posted on www.meckpermit.com

9.2.1.2. Follow-up on Inspector Notification Tool Glitches with Acosta Heating and Andrew Roby

- What we think happened:
 - Customer contact information in POSSE didn't work.
 - The customers needed to update their information when either their email or internet service provider changed.
- Follow up action:
 - We contacted the customers, reviewed their profiles, made the necessary updates, did a test and each customer confirmed that they are now receiving the notices.
- Question: when we set the early notification tool up, after some discussion, the CCTF and Dept gave the ability to maintain the contact names to the GC's. That kept the cost of the idea down, and in the hands of the people who ultimately knew which personnel (or business support) changes were going on.
 - We think that was a valid decision.
 - However, do contractors need a periodic (semi-annual) reminder? Basic question examples;
 - Did I change staff?
 - Did I change providers? Cell or ISP

9.2.1.3. Bar Code Technology

- Working on fleshing out details and scales of cost. Report back to BDC in October +/-.

9.2.1.4. Senate Bill 22 Update

- Covered in item 6.

9.2.1.5. Success Story Case Study Development

- Continuing work developing an example for the office and one for the field, to bring back to a future BDC meeting to confirm aligns with BDC Chair and BDC at large thinking

9.2.2. Cost Recovery Work Group

Here are the CRWG participant names we have confirmed to date;

- Private sector volunteers
 - Chris Urquhart, Intercon Building Corp.
 - Gail English Craig, PE, LEED-AP, Engineering Design Collaborative, LLP
 - Wayne Carter, W.B. Carter Contracting, Ltd.
 - Robert Wayne, Wayne Sims, Inc.
 - David Schweiman, D.R. Schwieman, Inc
 - Eric Seckinger, PE, MBA, HNTB Corporation
 - David Gieser, AIA, LEED-AP BD+C, Perkins+Will
 - Ross Westall, RJ Leeper Construction
 - Dave Boda, Boda Plumbing
- BDC representatives; Zeke Acosta, Travis Haston, Hal Hester, Ed Horne
- Department; JNB, Gene, Patrick, Tim Taylor, Rebecca
 - Selected meetings; Luis P, Mary Caulder, Geri Walton
- Initial meeting tentatively set for Sept 13; agenda to cover a) why we're here, b) meeting schedule, c) exercise identifying all the topics to research, d) agree to meeting topics order and date (examples follow)
 - Meeting 2; Mega project permit fee discount
 - Meeting 3; small projects and "change-out" work
 - Meeting 4; auto cost calculator for other projects
 - Meeting 5; reconvene collective meeting(s) to draft recommendations to BDC
- Right now, we think the topics include the following;
- Research topics identified to date include;
 - a) Expanded use of auto cost calculators in the LUESA Fee Ord to align "upfit" project permit fees with service cost.
 - b) Consider eliminating or reducing the Mega project permit fee discount
 - c) Study small projects and "change-out" work permit fees, relative to service cost
 - d) Topics added since March budget work;
 - On projects with significant owner equipment costs, how to set fees to recover inspection cost.
 - How to recapture the cost of breaking a project apart, after an owner's team decided the original permitting strategy must be further divided to reflect project delivery.
 - Project phasing costs.
- Questions?

9.2.3. RFBA on Ral-Meck Interlocal Agreement to Develop Permitting Software

- On August 2, the BOCC passed the RFBA which included a resolution;
 - a) Authorizing the addition of Appendix #4 to the interlocal agreement, including;
 - Suspension of the work by Sages for Raleigh, and Raleigh's obligation to Mecklenburg under Appendix #3.
 - Transfer of the contract to the County
 - Intellectual property rights.
 - b) Authorizing the CM to negotiate the transfer of the Raleigh-Sages contract to Meck County
- On August 8, Mecklenburg forwarded an amended and restated Raleigh-Sages agreement, incorporating all of the remaining work in the EPS-EPR project in the agreement, summarizing related costs and immediately re-assigning the agreement to Mecklenburg. All language on this was confirmed with Sages before sending to Raleigh.
- Raleigh needs to review and confirm they are ready to execute.

9.2.4. EV Car Qualified List of Engineers and Contractors

- Status remains the same as last month. The Department continues working with BDC member Ed Horne and CAAEC to solicit interest in the program certifying Electrical engineers and contractors as proficient in EV supply multiple commercial installations.

- Chuck Walker has arranged our presence at the November 28 PENC meeting, where Tim Taylor, Joe Weathers and Mike Rowand of Duke Power will talk about EV's.

9.3. Other

- To be identified and summarized

9.4. Manager/CA Added Comments

- Managers: Jeff Griffin & Gary Mullis__, Wendell__; Tim__; Chuck W__, Mark Auten__, Melanie S
- Code Administrators; Joe W__, Lon McS__, Willis H__
- Director: Gene M__, Pat G__

10. Adjournment